

**VILLAGE OF GOLDONNA
ANNUAL FINANCIAL REPORT**

JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/11

Village of Goldonna
Financial Report
June 30, 2010

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Accountant's Review Report	-	5-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	A	9
Statement of Activities	B	10
Fund Financial Statements		
Governmental Fund		
Balance Sheet-Governmental Funds	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	F	15
Proprietary Fund		
Statement of Net Assets	G	16
Statement of Revenues, Expenses, and Changes in Net Assets	H	17
Statement of Cash Flows	I	18
Notes to Financial Statements	-	20-28

Village of Goldonna
Financial Report
June 30, 2010

TABLE OF CONTENTS (cont'd)

	<u>Exhibit</u>	<u>Page</u>
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	J	30
Budgetary Comparison Schedule-LCDBG Fund	K	31
Supplementary Information		
Independent Accountant's Report on Applying Agreed-Upon Procedures	L	32-34
Louisiana Attestation Questionnaire	M	35-36
Management Letter	N	37
Management's Response	O	38

Village of Goldonna

**P. O. Box 157
Goldonna, LA 71031**

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2010

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information is presented to provide an overview of the Village's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Village's operations are conducted through a general fund and a business-type activity, the Village's water system. For the year ended June 30, 2010, the Village also reports LCDBG Fund activities for street improvements.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	June 2010			June 2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$ 8,904	\$ 25,067	\$ 33,971	\$ 8,661	\$ 8,400	\$ 17,061
Restricted Assets	0	20,209	20,209	0	18,698	18,698
Capital Assets, Net of Accumulated Depreciation	<u>83,256</u>	<u>462,240</u>	<u>545,496</u>	<u>71,597</u>	<u>479,039</u>	<u>550,636</u>
Total Assets	<u>\$92,160</u>	<u>\$507,516</u>	<u>\$599,676</u>	<u>\$80,258</u>	<u>\$506,137</u>	<u>\$586,395</u>
LIABILITIES:						
Accounts Payable	\$ 2,432	\$ 0	\$ 2,432	\$ 4,635	\$ 0	\$ 4,635
Customer Deposits Payable	0	8,950	8,950	0	8,950	8,950
Long Term Debt	<u>0</u>	<u>97,670</u>	<u>97,670</u>	<u>0</u>	<u>100,480</u>	<u>100,480</u>
Total Liabilities	<u>\$ 2,432</u>	<u>\$106,620</u>	<u>\$109,052</u>	<u>\$ 4,635</u>	<u>\$109,430</u>	<u>\$114,065</u>
NET ASSETS:						
Invested in Capital Assets, Net of Related Debt	\$83,256	\$364,570	\$447,826	\$71,597	\$378,559	\$450,156
Restricted for Debt Service	0	36,326	36,326	0	18,148	18,148
Unrestricted	<u>6,472</u>	<u>0</u>	<u>6,472</u>	<u>4,026</u>	<u>0</u>	<u>4,026</u>
NET ASSETS	<u>\$89,728</u>	<u>\$400,896</u>	<u>\$490,624</u>	<u>\$75,623</u>	<u>\$396,707</u>	<u>\$472,330</u>

Summary of Statement of Activities

	June 2010			June 2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Licenses & Permits-						
Franchise Fees	\$ 26,795	\$ 0	\$ 26,795	\$ 22,175	\$ 0	\$ 22,175
Charges for Services	507	59,558	60,065	444	58,525	58,969
Intergovernmental	167,651	15,000	182,651	91,776	0	91,776
Miscellaneous	<u>11,640</u>	<u>13,568</u>	<u>25,208</u>	<u>1,567</u>	<u>154</u>	<u>1,721</u>
Total Revenues	<u>\$206,593</u>	<u>\$ 88,126</u>	<u>\$294,719</u>	<u>\$115,962</u>	<u>\$ 58,679</u>	<u>\$174,641</u>
EXPENSES:						
Public Safety	\$ 5,744	\$ 0	\$ 5,744	\$ 5,355	\$ 0	\$ 5,355
General Government	186,744	0	186,744	72,646	0	72,646
Operating Expense	0	77,882	77,882	0	72,538	72,538
Interest Expense	<u>0</u>	<u>6,055</u>	<u>6,044</u>	<u>0</u>	<u>6,190</u>	<u>6,190</u>
Total Expenses	<u>\$192,488</u>	<u>\$ 83,937</u>	<u>\$276,425</u>	<u>\$ 78,001</u>	<u>\$ 78,728</u>	<u>\$156,729</u>
Change in Net Assets	<u>\$ 14,105</u>	<u>\$ 4,189</u>	<u>\$ 18,294</u>	<u>\$ 37,961</u>	<u>\$ (20,049)</u>	<u>\$ 17,912</u>

Governmental Activities

- The Village's assets exceeded its liabilities by \$89,728 (net assets) for the year. This is an increase of \$14,105 from the prior year.
- Unrestricted net assets of \$6,472 represent the portion available to maintain the Village's obligation to both citizens and creditors. This is an increase of \$2,446 from the prior year.

Business Type Activities

The Water System had an increase in net assets of \$4,189 for the year. For the prior year, the Water System had a decrease in net assets of \$20,049.

General Fund Budgetary Highlights

The Village did amend its General Fund budget during the year. At year end, actual revenues were \$199 less than budgeted revenues and actual expenditures were \$2,949 more than budgeted expenditures.

Economic Factors and Next Year's Budget

The Village has prepared its FY 2010/2011 budget for the General Fund on the assumption that revenues and expenditures will not change significantly from 2009/2010. Both revenues and expenditures for the Utility Enterprise Fund should remain fairly constant during the next year.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 157, Goldonna, LA 71031.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

The Honorable Mayor of Goldonna
and Village Aldermen
Village of Goldonna, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Village of Goldonna (Village) as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of the Village.

A review consists principally of inquiries of Village personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 30 through 31, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated December 21, 2010, on the results of our agreed-upon procedures on page 32 through 34. Pages 35 through 38 present the Louisiana Attestation Questionnaire, our Management Letter and Management's Response.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 21, 2010
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Village of Goldonna
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets-			
Cash and Cash Equivalents	\$ 8,904	\$ 3,991	\$ 12,895
Revenue Receivable	<u>0</u>	<u>21,076</u>	<u>21,076</u>
Total Current Assets	\$ <u>8,904</u>	\$ <u>25,067</u>	\$ <u>33,971</u>
Noncurrent Assets-			
Restricted Assets-			
Bond Covenant Accounts	\$ 0	\$ 20,209	\$ 20,209
Capital Assets (net)	<u>83,256</u>	<u>462,240</u>	<u>545,496</u>
Total Noncurrent Assets	\$ <u>83,256</u>	\$ <u>482,449</u>	\$ <u>565,705</u>
Total Assets	\$ <u>92,160</u>	\$ <u>507,516</u>	\$ <u>599,676</u>
LIABILITIES:			
Current Liabilities-			
Accounts Payable	\$ 2,432	\$ 0	\$ 2,432
Current Portion - Long Term Debt	<u>0</u>	<u>2,950</u>	<u>2,950</u>
Total Current Liabilities	\$ <u>2,432</u>	\$ <u>2,950</u>	\$ <u>5,382</u>
Noncurrent Liabilities-			
Customers Deposits Payable	\$ 0	\$ 8,950	\$ 8,950
Long-Term Debt	<u>0</u>	<u>94,720</u>	<u>94,720</u>
Total Noncurrent Liabilities	\$ <u>0</u>	\$ <u>103,670</u>	\$ <u>103,670</u>
Total Liabilities	\$ <u>2,432</u>	\$ <u>106,620</u>	\$ <u>109,052</u>
NET ASSETS:			
Invested in Capital Assets.			
Net of Related Debt	\$83,256	\$364,570	\$447,826
Restricted for Debt Service	0	36,326	36,326
Unrestricted	<u>6,472</u>	<u>0</u>	<u>6,472</u>
Total Net Assets	\$ <u>89,728</u>	\$ <u>400,896</u>	\$ <u>490,624</u>

See accompanying notes and accountant's report.

Village of Goldonna
Statement of Activities
For the Year Ended June 30, 2010

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$186,744	\$ 0	\$10,878	\$156,773	\$(19,093)	\$ 0	\$(19,093)
Public Safety	<u>5,744</u>	<u>507</u>	<u>0</u>	<u>0</u>	<u>(5,237)</u>	<u>0</u>	<u>(5,237)</u>
Total Governmental Activities	<u>\$192,488</u>	<u>\$ 507</u>	<u>\$10,878</u>	<u>\$156,773</u>	<u>\$(24,330)</u>	<u>\$ 0</u>	<u>\$(24,330)</u>
Business-Type Activities:							
Water/Sewer	<u>\$ 83,937</u>	<u>\$59,558</u>	<u>\$15,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,379)</u>	<u>\$ (9,379)</u>
Total Government	<u>\$276,425</u>	<u>\$60,065</u>	<u>\$25,878</u>	<u>\$156,773</u>	<u>\$(24,330)</u>	<u>\$ (9,379)</u>	<u>\$(33,709)</u>
General Revenues:							
Licenses & Permits-							
Franchise Fee					\$ 26,795	\$ 0	\$ 26,795
Interest Income					0	117	117
Miscellaneous					<u>11,640</u>	<u>13,451</u>	<u>25,091</u>
Total General Revenues					<u>\$ 38,435</u>	<u>\$ 13,568</u>	<u>\$ 52,003</u>
Change in Net Assets					\$ 14,105	\$ 4,189	\$ 18,294
Net Assets July 1, 2009					<u>75,623</u>	<u>396,707</u>	<u>472,330</u>
Net Assets June 30, 2010					<u>\$ 89,728</u>	<u>\$400,896</u>	<u>\$490,624</u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

Village of Goldonna
Balance Sheet-Governmental Funds
June 30, 2010

	<u>Major Funds</u>		
	<u>General</u>	<u>LCDBG</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
ASSETS:			
Cash and Cash Equivalents	<u>\$8,904</u>	<u>\$0</u>	<u>\$8,904</u>
Total Assets	<u>\$8,904</u>	<u>\$0</u>	<u>\$8,904</u>
LIABILITIES:			
Accounts Payable	\$2,432	\$0	\$2,432
FUND BALANCES:			
Unreserved	<u>6,472</u>	<u>0</u>	<u>6,472</u>
Total Liabilities and Fund Balances	<u>\$8,904</u>	<u>\$0</u>	<u>\$8,904</u>

See accompanying notes and accountant's report.

Village of Goldonna
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010

Total Fund Balance for the Governmental Funds at June 30, 2010		\$ 6,472
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:		
Land, Equipment, Buildings, and Vehicles	\$107,259	
Less: Accumulated Depreciation	<u>(24,003)</u>	<u>83,256</u>
Total Net Assets of Governmental Activities at June 30, 2010		<u>\$89,728</u>

See accompanying notes and accountant's report.

Village of Goldonna
Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2010

	<u>Major Funds</u>		
	<u>General</u>	<u>LCDBG</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
REVENUES:			
Licenses & Permits-			
Franchise Fees	\$26,795	\$ 0	\$ 26,795
Intergovernmental	10,878	156,773	167,651
Fines & Forfeits	507	0	507
Miscellaneous	<u>11,640</u>	<u>0</u>	<u>11,640</u>
Total Revenues	<u>\$49,820</u>	<u>\$156,773</u>	<u>\$206,593</u>
EXPENDITURES:			
Current-			
General Government	\$41,630	\$156,773	\$198,403
Public Safety	<u>5,744</u>	<u>0</u>	<u>5,744</u>
Total Expenditures	<u>\$47,374</u>	<u>\$156,773</u>	<u>\$204,147</u>
Excess of Revenues over Expenditures	\$ 2,446	\$ 0	\$ 2,446
Fund Balance-Beginning of Year	<u>4,026</u>	<u>0</u>	<u>4,026</u>
Fund Balance-End of Year	<u>\$ 6,472</u>	<u>\$ 0</u>	<u>\$ 6,472</u>

See accompanying notes and accountant's report.

Village of Goldonna
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
for the Year Ended June 30, 2010

Net Change in Fund Balance-Governmental Funds	\$ 2,446
---	----------

Amounts reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	15,149
---	--------

Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(3,490)</u>
--	----------------

Net Change in Net Assets per Statement of Activities	<u>\$14,105</u>
--	-----------------

See accompanying notes and accountant's report.

Village of Goldonna
Statement of Net Assets
Proprietary Fund
Year Ended June 30, 2010

ASSETS:

Current Assets-

Cash and Cash Equivalents	\$ 3,991
Revenue Receivable	6,076
Grant Receivable	<u>15,000</u>
Total Current Assets	<u>\$ 25,067</u>

Noncurrent Assets-

Restricted Assets-

Bond Covenant Accounts	\$ 20,209
------------------------	-----------

Capital Assets-

Capital Assets, net of depreciation	<u>462,240</u>
Total Noncurrent Assets	<u>\$482,449</u>

Total Assets	<u>\$507,516</u>
--------------	------------------

LIABILITIES:

Current Liabilities-

Current Portion of Long-Term Debt	<u>\$ 2,950</u>
-----------------------------------	-----------------

Noncurrent Liabilities-

Long-Term Debt	\$ 94,720
----------------	-----------

Customers' Deposits Payable	<u>8,950</u>
-----------------------------	--------------

Total Noncurrent Liabilities	<u>\$103,670</u>
------------------------------	------------------

Total Liabilities	<u>\$106,620</u>
-------------------	------------------

NET ASSETS:

Invested in Capital Assets, net of related debt	\$364,570
---	-----------

Restricted for Debt Service	<u>36,326</u>
-----------------------------	---------------

Total Net Assets	<u>\$400,896</u>
------------------	------------------

See accompanying notes and accountant's report.

Village of Goldonna
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

OPERATING REVENUES:	
Water Sales	\$ 59,558
Intergovernmental	15,000
Insurance Recovery	<u>13,451</u>
Total Operating Revenues	\$ <u>88,009</u>
OPERATING EXPENSES:	
Depreciation	\$ 16,799
General & Administrative	17,783
Utilities	12,669
Repairs & Maintenance	<u>30,631</u>
Total Operating Expenses	\$ <u>77,882</u>
Operating Income (Loss)	\$ <u>10,127</u>
OTHER REVENUES AND EXPENSES:	
Interest Income	\$ 117
Interest Expense	<u>(6,055)</u>
Total Other Revenues and Expenses	\$ <u>(5,938)</u>
Change in Net Assets	\$ 4,189
Net Assets-Beginning of Year	<u>396,707</u>
Net Assets-End of Year	<u>\$400,896</u>

See accompanying notes and accountant's report.

Village of Goldonna
Statement of Cash Flows
Proprietary Fund
June 30, 2010

Cash Flows from Operating Activities:	
Cash received from customers	\$ 57,981
Cash paid to suppliers	(53,396)
Cash paid to employees	(7,687)
Insurance Recovery	<u>13,451</u>
Net Cash Provided by Operating Activities	<u>\$ 10,349</u>
Cash Flows from Capital and Related Financing Activities:	
Principal paid on capital debt	\$ (2,810)
Interest paid on capital debt	<u>(6,055)</u>
Net Cash Provided (used) for Capital and Related Financing Activities	<u>\$ (8,865)</u>
Cash Flows from Investing Activities:	
Interest and dividends	<u>\$ 117</u>
Net Increase in Cash and Cash Equivalents	\$ 1,601
Cash and Cash Equivalents at Beginning of Year	<u>22,599</u>
Cash and Cash Equivalents at End of Year	<u>\$ 24,200</u>
Reconciliation of Operating Income (loss) to Net cash Provided (used) by Operating Activities:	
Operating income (loss)	\$ 10,127
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
Depreciation expense	16,799
Changes in Assets and Liabilities- Receivables	<u>(16,577)</u>
Net Cash Provided by Operating Activities	<u>\$ 10,349</u>
Cash Amounts:	
Cash & Cash Equivalents	\$ 3,991
Bond Covenant Accounts	<u>20,209</u>
Total	<u>\$ 24,200</u>

See accompanying notes and accountant's report.

NOTES TO FINANCIAL STATEMENTS

Village of Goldonna
Notes to Financial Statements
June 30, 2010

Introduction:

The Village of Goldonna, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of three Aldermen.

This report includes all funds which are controlled or dependent on the Village of Goldonna's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Goldonna was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water services.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

The financial statements of the Village of Goldonna, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Goldonna's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Village maintains three funds. Two are categorized as governmental funds and one as a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Village considers all funds to be major:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

LCDBG Fund

The LCDBG Fund is used to account for grant money received to upgrade the Village streets.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

Proprietary Fund-

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Utility Fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years
Utility system and improvements	10-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility bond covenant accounts.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Village, therefore no entry is made to record compensated absences.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

J. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

L. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

M. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At June 30, 2010, the Village had cash and cash equivalents (collected bank balances) totaling \$34,403. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Village. The deposits at June 30, 2010, were fully secured by FDIC Insurance.

3. Restricted Assets - Proprietary Fund Type:

The following is a schedule of changes in assets restricted for revenue debt service for the year ended June 30, 2010:

	<u>Sinking</u>	<u>Depreciation</u>	<u>Reserve</u>	<u>Note</u>	<u>Total</u>
Cash, 7-1-09	\$ 3,447	\$7,879	\$7,111	\$ 261	\$18,698
Interest Earned	30	45	42	0	117
Transfers from					
Operating Accounts	8800	456	1,043	8,865	19,164
Transfers to					
Operating Accounts	(8,865)	0	0	0	(8,865)
Disbursements-					
Service Charges	(20)	0	0	(20)	(40)
Bond Interest	0	0	0	(6,055)	(6,055)
Bond Principal	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,810)</u>	<u>(2,810)</u>
Cash, 6-30-10	<u>\$ 3,392</u>	<u>\$8,380</u>	<u>\$8,196</u>	<u>\$ 241</u>	<u>\$30,209</u>

Village of Goldonna
Notes to Financial Statements
June 30, 2010

4. Capital Assets:

Capital asset activity for the year ended June 30, 2010, is as follows:

Governmental Activities	Balance 07-01-09	Additions	Deletions	Balance 06-30-10
Capital Assets: not depreciated-				
Construction In Progress	\$ 40,938	\$ 15,150	\$ 0	\$ 56,088
Capital Assets: depreciated-				
Building	0	0	0	0
Office Furniture, Fixtures & Equipment	6,604	0	0	6,604
Outside Equipment & Walking Trail	40,066	0	0	40,066
Vehicles	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>
Total Capital Assets	<u>\$ 92,108</u>	<u>\$ 15,150</u>	<u>\$ 0</u>	<u>\$ 107,258</u>
Less: Accumulated Depreciation				
Building	\$ 0	\$ 0	\$ 0	\$ 0
Office Furniture, Fixtures & Equipment	6,603	0	0	6,603
Outside Equipment & Walking Trail	9,408	3,490	0	12,898
Vehicles	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>
Total Accumulated Depreciation	<u>\$ 20,511</u>	<u>\$ 3,490</u>	<u>\$ 0</u>	<u>\$ 24,001</u>
Net Capital Assets	<u>\$ 71,597</u>	<u>\$ 11,660</u>	<u>\$ 0</u>	<u>\$ 83,257</u>
Business-Type Activities	Balance	Additions	Deletions	Balance
	07-01-09	06-30-10	06-30-10	06-30-10
Capital Assets Depreciated-				
Water System	\$839,947	\$ 0	\$ 0	\$839,947
Less: Accumulated Depreciation				
Water System	360,908	16,799	0	377,707
Net Capital Assets	<u>\$479,039</u>	<u>\$ (16,799)</u>	<u>\$ 0</u>	<u>\$462,240</u>

Depreciation expense of \$3,490 was charged to the General Fund as follows:

General Government	<u>\$3,490</u>
--------------------	----------------

Depreciation expense of \$16,799 was charged to the Utility Fund.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

5. Long-Term Liabilities:

The Village entered into a bond agreement with the Farmers Home Administration on March 10, 1988 for \$134,600.00 with repayments due in annual installments of \$8,864.76 for a term of forty (40) years. Interest is to be fixed at a rate of 5.875% per annum, and payment is to be made on March 10 of each year through the year 2028.

Under the terms of the Revenue Bonds, the following monthly payments should be made to the "Waterworks Sinking Fund", "Waterworks Reserve Fund", and the "Waterworks Contingency Fund":

Monthly Payments:

<u>Period (Mo./Yr.)</u>	<u>Sinking Fund</u>	<u>Reserve Fund</u>	<u>Contingency Fund</u>
3/20/1988 - 2/20/2028	<u>\$800</u>	\$36.94/mo. until \$8,864.75 has Accumulated	<u>\$38</u>

The annual requirements to amortize the revenue bonds payable to the Farmers Home Administration are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,950	\$ 5,915	\$ 8,865
2011	3,095	5,770	8,865
2012	3,245	5,620	8,865
2013	3,400	5,465	8,865
2014	3,560	5,305	8,865
Thereafter	<u>81,420</u>	<u>33,354</u>	<u>114,774</u>
Totals	<u>\$97,670</u>	<u>\$61,429</u>	<u>\$159,099</u>

6. Litigation:

At June 30, 2010, there were no pending civil suits against the Village.

7. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2010.

Village of Goldonna
Notes to Financial Statements
June 30, 2010

8. Compensation Paid to the Mayor and Board of Aldermen:

Verna Bedgood – Mayor	\$ 900
Rodney Bedgood	550
Reed Franklin	600
Ben Dupree	600
Dan Dupree	<u>600</u>
Total	<u>\$3,250</u>

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Village of Goldonna
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010
With Comparative Amounts from June 30, 2009

	2010				
	Budget			Variance	2009
	Original	Final	Actual	Favorable (Unfavorable)	Actual
REVENUES:					
License & Permits-					
Franchise Fees	\$27,000	\$27,000	\$26,795	\$ (205)	\$ 22,175
Fines & Forfeits	0	0	507	507	444
Intergovernmental	500	11,333	10,878	(455)	55,041
Miscellaneous	<u>2,300</u>	<u>11,686</u>	<u>11,640</u>	<u>(46)</u>	<u>1,567</u>
Total Revenues	<u>\$29,800</u>	<u>\$50,019</u>	<u>\$49,820</u>	<u>\$ (199)</u>	<u>\$ 79,227</u>
EXPENDITURES:					
General Government	\$33,325	\$38,675	\$41,630	\$(2,955)	\$ 88,159
Public Safety	<u>5,800</u>	<u>5,750</u>	<u>5,744</u>	<u>6</u>	<u>5,355</u>
Total Expenditures	<u>\$39,125</u>	<u>\$44,425</u>	<u>\$47,374</u>	<u>\$(2,949)</u>	<u>\$ 93,514</u>
Excess (Deficiency) of					
Revenues over Expenditures	\$ (9,325)	\$ 5,594	\$ 2,446	\$(3,148)	\$(14,287)
Fund Balance-Beginning of Year	<u>4,026</u>	<u>4,026</u>	<u>4,026</u>	<u>0</u>	<u>18,313</u>
Fund Balance-End of Year	<u>\$ (5,299)</u>	<u>\$ 9,620</u>	<u>\$ 6,472</u>	<u>\$(3,148)</u>	<u>\$ 4,026</u>

See accountant's report.

Village of Goldonna
LCDBG Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	<u>Total Budget</u>	<u>Current Year Actual</u>	<u>Remaining Budget</u>
REVENUES:			
Intergovernmental- Grant-State	\$172,000	\$156,773	\$15,227.
EXPENDITURES:			
General Government- Street Repair	\$172,000	\$156,773	\$15,227
Excess of Revenues over Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	____ 0	____ 0	____ 0
Fund Balance-End of Year	\$____0	\$____0	\$____.0

See accountant's report.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Mayor of Goldonna
and Village Aldermen
Village of Goldonna, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Goldonna and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Goldonna's compliance with certain laws and regulations during the year ended June 30, 2010, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

No violations found.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original and the final budget for the General Fund.

6. Trace the budget adoption to the minute book.

We traced the adoption of the original and amended budgets to the minutes of the Village.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. For the year ended June 30, 2010, actual expenditures were more than budgeted expenditures by more than the 5% allowed.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has asserted that such documents were properly posted.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or other indebtedness which had not been approved by the State Bond Commission.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

No violations found.

Our prior report, dated October 20, 2009, contained a comment related to the budgetary process, we have similar comments this year as stated above.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Goldonna and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 21, 2010
Natchitoches, Louisiana

VILLAGE OF GOLDONNA
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your review of our financial statements as of June 30, 2010, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 22, 2010.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Deena Badgood - Mayor
Signed by & Title

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

December 29, 2010

Honorable Mayor Verna Bedgood
Village of Goldonna
P. O. Box 216
Goldonna, LA 71031

RE: Management letter
Review Report – June 30, 2010

Dear Mayor Bedgood,

We have performed our review of the Village of Goldonna and have applied certain agreed-upon procedures. As part of those procedures, we have the following information to report to you.

Louisiana State Law requires that a budget be amended whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by 5% or more. For the year ended June 30, 2010, actual expenditures were more than budgeted expenditures, in the General Fund, by more than the 5% allowed and the budget was not amended.

Sincerely,

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

VILLAGE OF GOLDONNA
GOLDONNA WATER DEPARTMENT
PO BOX 216
GOLDONNA, LA. 71031
318-727-4444

Louisiana Legislative Auditor
1600 Third Street
Baton Rouge, La. 70804

The following is our response to the management letter issued to us by the firm, Johnson, Thomas & Cunningham, CPA's for the year ending June 30, 2010.

Management's Corrective Action Plan

We will ensure that in the future, the budget will be amended whenever actual revenues or expenditures exceed the .5% variance allowed.

Sincerely,



Verma Bedgood
Mayor

dsg

"Village of Goldonna and Goldonna Water Department is an Equal Opportunity Provider, Employer and Lender." To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)